

**HOMELESS SHELTER PROGRAM**

- 1. REASON FOR ISSUE:** To provide comprehensive procedures for selling properties to nonprofit organizations that provide shelter housing to homeless Veterans and their families.
- 2. SUMMARY OF CONTENTS:** This new Handbook relates to all aspects of the Department of Veterans Affairs Veterans Benefit Administration's (VBA) Homeless Shelter Program (HSP), including the procedures for determining how, and to whom, acquired properties will be offered and the appropriate discount rate to apply.
- 3. RESPONSIBLE OFFICE:** Loan Guaranty Service (26).
- 4. RELATED DOCUMENTS:** VA Circular 26-93-20, dated September 21, 1993.
- 5. RESCISSIONS:** None.

**CERTIFIED BY:**

**BY DIRECTION OF THE DIRECTOR  
OF LOAN GUARANTY SERVICE**

Distribution:

THE HOMELESS SHELTER PROGRAM

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## THE HOMELESS SHELTER PROGRAM

1. **PURPOSE AND SCOPE.** This Handbook provides guidance for selling acquired properties to nonprofit organizations (NPOs) that provide shelter housing to homeless Veterans and their families. This Handbook is intended to be a “living” document which the Department of Veterans Affairs (VA) may modify as rules and regulations change or new issues arise. This directive does not supersede current statutory and/or regulatory language, and/or established VA policy nor does it preclude Administrations and Staff Offices from developing specific and relevant policy in the future.

2. **OBJECTIVES.** The objectives of the Homeless Shelter Program (HSP) are to:

- a. Use existing authorities to reduce, prevent, or eliminate homelessness;
- b. Establish lasting and productive relationships with the nonprofit community serving Veterans who are homeless or at-risk for homelessness; and
- c. Ensure compliance with statutes, principles of fairness, and fiscal responsibility.

3. **AUTHORITIES.**

a. **38 U.S.C. §2041.** To assist homeless Veterans and their families in acquiring shelter, the Secretary may sell VA-acquired properties to nonprofit organizations, with preference being given to any organization named in, or approved by the Secretary under, section 5902 of this title; or (B) any State or any political subdivision thereof.

b. **38 U.S.C. §5902.** The Secretary may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve, in the preparation, presentation, and prosecution of claims under laws administered by the Secretary.

c. **38 U.S.C. §103(c).** In determining whether or not a person is or was the spouse of a Veteran, their marriage shall be proven as valid for the purposes of all laws administered by the Secretary according to the law of the place where the parties resided at the time of the marriage or the law of the place where the parties resided when the right to benefits accrued.

4. **HSP SUMMARY.** HSP does not provide benefits directly to Veterans, but instead makes available VA-acquired properties for qualified organizations that help Veterans. Since 1991, Loan Guaranty Service has administered HSP to sell, at a discount, VA-acquired properties, to Preferred Organizations (POs), and Qualified Nonprofit Organizations (QNOs) (see definitions in Section 5) that agree to shelter homeless Veterans and their families. HSP also permits sheltering of non-Veteran homeless individuals in a property, as long as the majority of shelter nights are provided to qualified Veterans and their families. HSP is defined in statute, and

authorization for this program is not permanent; it is temporary. Congress has renewed that authority on multiple occasions since 1991. VA will continue to offer this program at the discretion of the Secretary of VA.

## 5. DEFINITIONS.

### a. Staff.

- (1) **Director, Loan Guaranty Service (LGY).** Manages LGY program nationally.
- (2) **Realty Officer.** Manages LGY's Property Management (COPM) program (261B).
- (3) **Central Office Property Management (COPM).** LGY function which helps administer the PM program nationally.
- (4) **Property Management Service Provider (PMSP).** A private company contracted to manage and sell VA-acquired properties.
- (5) **Contract Assurance Unit – Property Management (CA-PM).** Provides oversight for the PMSP; reviews submitted materials from non-profits seeking qualification for participation in the HSP and approves or denies their participation; conducts and reports on field inspections of the HSP properties; and develops audit schedules and performs audits of the HSP properties.
- (6) **VBA Homeless Veterans Outreach Coordinators.** These individuals will refer organizations that are potentially eligible to participate in the HSP to CA-PM or COPM, and also will serve as points-of-contact for homeless Veterans for other VA programs and resources.
- (7) **VA Office of General Counsel (OGC).** Identifies and meets the legal needs of VA on a national level and provides legal advice on the sale or transfer of properties associated with HSP.
- (8) **VA Regional Counsel (RC).** Identifies and meets the legal needs of VA on a regional level; provides legal guidance on local real estate law and makes recommendations regarding addenda to sales contracts and restrictive deed covenants which will accompany all acquired property discounted sale contracts and closing packages, respectively.

b. **Preferred Organization.** A PO is prescribed by statute in 38 U.S.C. § 5902. These organizations include the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve in the preparation, presentation, and prosecution of claims under laws administered by the Secretary. For purposes of HSP, POs may sell properties at affordable terms directly to Veterans or provide financial support, properties, labor, or material to other nonprofit organizations involved in the same objective. POs are not required to undergo the approval process outlined in Section 7(a) through (e) of this Handbook, but they are required to submit to the PMSP with any offer to purchase, the Statement of Intent with Regard to Use of Properties, the Proof of Ability to Rehabilitate or Renovate as applicable, and the Demonstrated Ability to Provide Supportive Services, which are outlined in Section 7.

c. **Qualified Nonprofit Organization.** In order to participate in the HSP, an organization which is not a PO must first be approved by VA as a QNO. A QNO may sell or donate properties at affordable terms directly to Veterans or provide financial support, properties, labor, or material to other nonprofit organizations involved in the same objective. To become a QNO, an entity must be formed for not-for-profit purposes, must have sufficient financial stability, and must have a record of success as a mission-oriented organization that seeks to serve Veterans and/or reduce homelessness. Furthermore, the entity must submit a property-use statement of intent which is acceptable to the Secretary. Procedures for becoming approved as a QNO are outlined in Section 7 of this Handbook.

d. **Veteran.** Any person who meets the definition of Veteran as defined in 38 U.S.C. §101, or under 38 U.S.C §3701. The PO/QNO should verify Veteran status of a potential occupant prior to the delivery of any housing assistance through the HSP.

e. **Homeless.** For purposes of the HSP, unless otherwise defined by the Secretary, the term “homeless” shall be defined by section 103 of the McKinney-Vento Act, (42 U.S.C. 11302) as amended in 2009 by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act (Division B of P.L. 111-22). Documentation of homeless status must be certified by the PO/QNO, and any evidence/documentation collected to this end must be retained for later audit by VA. See Appendix A of this Handbook for recordkeeping requirements.

f. **Qualified Veteran.** Any person who meets the criteria outlined under 5(d) and 5(e).

g. **Household.** For the purposes of the HSP, a member of the qualified Veteran’s “household” is defined as any individual, who relies upon the qualified Veteran for support or maintenance, or on whom the Veteran depends for the same.

h. **Shelter.** For purposes of the HSP, shelter housing is typically defined as a housing arrangement not more than 12 continual months in duration. Shelter housing provided under HSP is intended to stabilize homeless Veterans and their families so that those individuals can move to long-term transitional or permanent housing arrangements.

i. **Affordable Housing.** Affordable housing is defined as a rental/mortgage payment, which is at or below 30 percent of the qualified Veteran’s gross monthly household income. In calculating gross monthly household income, the PO/QNO shall include the incomes of all wage-earners in the Veteran’s household. The PO/QNO may not charge a qualified Veteran rent in excess of 30 percent of his/her gross monthly household income. Household income is to be determined using the definition of annual income defined in 24 C.F.R. Part 5.

j. **Supportive Services/Continuum of Care.** To the greatest extent possible, assistance provided under HSP shall be provided as a continuum of care. POs/QNOs will provide, facilitate the provision of, or refer Veterans and their families to supportive services that address their unique needs. Supportive services for Veterans and their families may include, but are not limited to:

- (1) Establishing and operating a licensed child care services program;
- (2) Establishing and operating an employment assistance program;
- (3) Providing regular meals;
- (4) Providing social service case management;
- (5) Providing assistance in obtaining permanent housing;
- (6) Providing assistance in obtaining employment and nutritional counseling; and
- (7) Providing assistance in obtaining VA benefits and any other available Federal, State, and local support.

## 6. BASIC PROGRAM INFORMATION

a. **Properties Available.** Properties must be vacant with perfected, merchantable title, be listed for sale by VA (through its agent), and not have any repairs in progress. VA Regional Counsels must have issued a title opinion determining that the quality and quantum of title satisfies 38 C.F.R. 36.4323.

b. **Discounts.** If a property has been listed for at least 1 month, but less than 2 months, VA will typically discount the sales price of the property by 20 percent. For properties listed at least 2 months, but less than 3 months, VA will typically discount the sales price by 35 percent. For a property listed for 3 months or more, VA will typically discount the price by 50 percent. Periods of time when the property is held off the market for revising sales listings, processing purchase offers, completing repairs, or another reason will not be counted when calculating the discount.

### c. Rules of Occupancy

(1) **Single-Veteran or Single-Veteran household occupancy.** The term 'single-Veteran household' includes households that contain more than one Veteran (e.g., Veterans who are married or joined by other legal union). The PO/QNO may administer the property as a:

- (a) Rental for Cash, not to exceed the standard for affordable housing; or
- (b) Rental with subsidy from a private-sector or non-profit rental assistance program, or from a federal, state or local governmental rental assistance program; or

(c) Shelter, without payment of rent.

(2) **Multiple-family Occupancy.** The term 'multiple-family' refers to a housing situation where more than one household unit occupies the property.

The PO/QNO may administer the property as a:

- (a) Rental for Cash, not to exceed the standard for affordable housing; or
- (b) Rental with subsidy from a private-sector or non-profit rental assistance program, or from federal, state or local governmental rental assistance program; or
- (c) Shelter, without payment of rent.

(3) **Occupancy of a dwelling by multiple unrelated adults.** For purposes of this Handbook, the term “unrelated” is defined as two individuals who are not related by blood, or who are not recognized by marriage, or other legal union. Subject to local zoning and occupancy ordinances, HSP properties may be occupied by more than one unrelated homeless Veteran. In such instances, each individual Veteran will be treated separately for purposes of determining income for affordability standards outlined in this Handbook. Occupancy of the dwelling by at least one homeless Veteran, and other unrelated adults, who are not Veterans is also permissible. In such a situation, the income and affordability standards outlined in this Handbook are applicable only to the Veteran occupant(s).

The PO/QNO may administer the property as a:

- (a) Rental for Cash, not to exceed the standard for affordable housing; or
- (b) Rental with subsidy from a private-sector or non-profit rental assistance program, or from federal, state or local governmental rental assistance program; or
- (c) Shelter, without payment of rent.

(4) **Property Condition upon Occupancy.** The rented/leased property must be in “habitable” and “sanitary” condition as defined by applicable state and local rules upon the first day of being a qualified Veteran or qualified Veteran household occupancy. A guide to state habitability standards can be found at <http://www.landlord.com/state-habitability-statutes-by-state.htm>, though additional local standards may also apply. Property condition will be subject to audit per Section 9 of this Handbook.

**d. Rental/Lease agreements.**

- (1) All rental/lease agreements must be in writing, must be executed by the PO/QNO and the qualified Veteran (and where applicable, other adult member(s) of his/her household), and must contain the residential lease language customary for the locality.
- (2) The PO/QNO may not charge a deposit or other upfront payment.
- (3) The affordable housing standard applies to the total monthly income of the qualified Veteran’s household, *prior to* the consideration or application of any subsidy payments (community grants, emergency donations, etc.) that may be available to the qualified Veteran. Any subsidy funds available to a qualified Veteran should not be considered income for purposes of determining the affordable housing rental payment.

**Example.** In a situation where a qualified Veteran receives \$2,500/month in VA compensation, and qualifies for a City of Anytown emergency homeless assistance grant for \$600/month, the monthly rental charge should be set at the affordable level---\$750 (30 percent of \$2,500 income). The City grant should be applied to that monthly rental charge, leaving the Veteran the remainder of \$150 to fund from his monthly VA compensation funds.

(5) Should a Veteran occupant's income be curtailed unexpectedly, for any reason, the QNO/PO is encouraged to extend the greatest amount of forbearance possible in effort to prevent the Veteran from again becoming homeless. VA expects that the QNO/PO would evaluate the Veteran's personal situation and reason for income curtailment, and to extend reasonable forbearance wherever possible. VA considers 30 days forbearance a minimum reasonable number. If the QNO/PO must discharge an income-curtailed Veteran from the property, VA requires that the circumstances and situation be documented, including but not limited to, documenting the rationale for discharging the Veteran from the property. Such information must be provided to VA as part of the next quarterly submission.

e. **Limitations.** In addition to agreements and certifications cited in section 7(c), an addendum to the sales contract and a restrictive deed covenant specifying the limitation on use for the properties, will be required. PMSP must consult the RC office with jurisdiction to facilitate the drafting of said document(s) for inclusion in the sales documents and closing package respectively. No properties should be sold without an addendum to sales contract and valid restrictive deed covenant, as specified by RC.

f. POs or QNOs that purchase HSP properties will be required to continually provide, for a period of not less than 3 years from the date of purchase (the "hold period"), shelter housing to homeless Veterans. Prior to the end of the 3-year hold period, POs/QNOs may submit a request to COPM for a release from this hold period, if they provide a justifiable reason for selling or otherwise transferring the property, or for change in use of the property. All determinations for release will be made by COPM. Determinations of release are at the sole discretion of VA, and will be made based on the VA's determination of the best interests of homeless Veterans and the Federal Government. Examples of permissible sales or changes to use may be a PO/QNO selling or donating a property to a qualified Veteran under terms designated as acceptable by VA, the PO/QNO modifying the use of the property to house elderly or disabled (not homeless) Veterans, the PO/QNO seeking to transfer or sell the property to another mission oriented non-profit at affordable terms, or a PO/QNO suffering an unforeseen financial crisis which necessitates the sale of the property.

## 7. OBTAINING APPROVAL TO BECOME A QUALIFIED NONPROFIT ORGANIZATION

a. **Approval Process.** To obtain approval as a QNO, a non-profit or governmental entity must submit the requisite package of documents, information, and certifications required under this section to CA-PM. Within 30-calendar days from the receipt of a complete package of documents/information/certifications from the NPOQNO, the Chief of CA may issue an approval or denial, and send that decision to COPM. CA-PM will then issue an individualized notification letter to the applying organization, copying COPM, and furnish a duplicate copy to the PMSP.

CA-PM will maintain an electronic tracking sheet of all applicants and their final status (approved or denied), and will submit that tracking sheet to COPM on a monthly basis. All approval letters, including those issued prior to implementation of this Handbook, will expire 2 years from the date of issuance and must be renewed before an organization can apply for new purchases. Approval under the HSP requires that items (b) through (g) of this section be met/provided as well as an executed limited use addendum to sales contract. Upon notification of approval, CA-PM will provide the NPO/QNO with Veteran federal benefits materials for the purpose of familiarizing itself with Veteran entitlements under the law and distributing to their Veteran occupants.

**b. Corporate Structure of QNO.** VA requires the following in the applying organization's corporate structure:

(1) **Valid Corporation or Government Entity.** The organization is an artificial person or legal entity that is created by or under the authority of the laws of a state, territory, or possession of the United States, and whose officers, members, managers, partners, and/or shareholders are U.S. citizens or permanent legal residents, **and** are responsible for the coordination of the organization's financing and donation programs.

(2) **Not Seeking Profit.** The organization's net earnings do not benefit any member, founder, contributor or individual, and the organization has furnished VA with all tax identification numbers and previous and year to date, fiscal statements of income and expense, and a current balance sheet.

(3) **Voluntary Board.** The organization has a voluntary board of trustees, (board) and has furnished VA with documents indicating the voluntary status of the board, including the printed names, signatures, residential and e-mail addresses, and telephone numbers of all board members. This criterion does not apply to government entities.

(4) **Full Disclosure of Affiliations.** The organization has disclosed all affiliations with other organizations in a voting or salaried capacity, as well as all affiliations of its board and its individual board members with other organizations in a voting or salaried capacity.

(5) **Accounting.** The organization either maintains or has designated an entity to maintain an accounting system, which is operated in accordance with the Federal Accounting Standards Advisory Board's Generally Accepted Accounting Principles.

(6) **Resources.** The organization has an ability to provide assistance to the homeless, is currently involved in assisting the homeless, and has furnished VA with the street address, telephone number, and name of a responsible person at each location where such assistance is currently provided by the organization.

(7) **Federal Tax Exemption.** The organization has furnished VA with a copy of an individual or group determination or ruling letter from the Internal Revenue Service recognizing the organization as exempt from payment of federal income taxes under Internal Revenue Code

(usually section 501(c)(3) or 501(c)(19)), as well as a statement from the organization that the letter of exemption is still in effect.

(8) **Delegated Authority.** The organization has given authority to certain named officers or members of the organization to sign all documents related to the properties, which will be used under the HSP and has furnished VA with a certified true copy of a resolution by its voluntary board with respect to such authority.

c. **Certifications.** To become a QNO, an entity must certify as follows:

(1) It is able, and intends, to maintain and operate in accordance with VA objectives and requirements identified in any contractual agreement, this Handbook, and any applicable regulations or program guidelines;

(2) It is in compliance with all legal and regulatory requirements and is not in default with respect to any VA program or any federal debt;

(3) Neither it, nor any of its principles (or, in the case of a government entity, its officeholders) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

(4) Neither it nor any of its principles (or, in the case of a government entity, its officeholders) has within a 3-year period preceding this application been convicted of or had a civil judgment rendered against it for commission of fraud or any offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(5) Neither it, nor any of its principles (or in the case of a government entity, its officeholders), are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in the immediately preceding paragraph;

(6) Neither it, nor any of its principles, (or, in the case of a government entity, its officeholders) has, within a 3-year period preceding this application, had one or more public transactions (federal, state, or local) terminated for cause or default; and

(7) Neither it, nor any of its board members (or, in the case of a government entity, its officeholders), holds a salaried *or* voting position with any other organization whose mission or actions pose a conflict of interest with, or is at cross purposes with, the stated objectives of the HSP.

d. **Financial Analysis.** It may be necessary for VA to review financial records and obtain references before approving an organization for participation. Ample liquidity is particularly important when determining whether to qualify an organization that plans to renovate or

rehabilitate properties, provide supportive services, offer a shelter environment, or provide assistance to other nonprofit organizations.

e. **Miscellaneous Documentation.** Under the HSP, an applicant may also provide the following for streamlined approval:

(1) A copy of a current and in-force grantee approval letter from the Department of Housing and Urban Development (HUD) for any of the following programs:

- (a) HUD-Supportive Housing Program
- (b) HUD Shelter Plus Care Program
- (c) HUD Emergency Solutions Grant Program
- (d) VA Supportive Services for Veterans and Families (SSVF) Program

(2) Streamlined approval permits the applicant to forgo the requirements in 6(a) through 6(d). However, similar to POs, NPOs that attain qualified status in a streamlined process, must submit to the PMSP, with any offer to purchase, the following:

(f) **Statement of Intent with Regard to Use of Properties.** The applying organization must provide to VA a written document, which states that the applying organization understands that any property obtained under the HSP must be used to house homeless Veterans for a period of not less than 3 years. If a PO/QNO that certified its intent to use the property to provide housing to homeless Veterans is found to have failed to uphold that certification, VA will notify its OGC and OIG. VA OGC and VA OIG will determine what action under law will be pursued against the PO/QNO.

(g) **Demonstrated Ability to Provide Supportive Services.** It is important that to the greatest extent possible, any assistance provided under HSP is to be provided as a continuum of care. The applying PO/QNO must submit written proof of its ability to address the unique needs (such as disabilities and families with children) of the qualified Veteran and the members of his/her household who will reside in the properties. At a minimum, the submission should include the PO/QNO's ability to link the qualified Veteran and his/her household into VA networks for healthcare, disability or pension claims, and other benefits, and into other local networks that provide the supportive services identified in this Handbook.

(h) **Continuing Approval of Qualified Nonprofit Organization.** VA may require the resubmission of items listed in items (b) through (g) of this section every 2 years in order to recertify the QNO status of the organization.

## 8. THE PURCHASE PROCESS

a. **Identifying Properties.** All VA-acquired properties that have been listed for more than 30-calendar days will be eligible for sale under the HSP. The listing date is located in the property

record on the property management sales website. POs/QNOs should visit the property management sales website as their source of information about available properties.

b. **Expressions of Interest.** When a PO/QNO expresses an interest in a property that is listed for sale to the PMSP in writing, the property will be removed from the sales listing for no more than 5-business days. A PO/QNO may request a maximum of five properties to be removed from the market at any one point in time. If VA receives multiple requests to de-list a particular property, only the first request received will be honored. If a property is de-listed for the 5-workday period, but no offer is received, then another interested PO/QNO may petition for the property to be de-listed. If an acceptable offer is not received from a PO/QNO within this timeframe, the PMSP will relist the property for sale to the public. The PO/QNO should submit offers for purchase through the PMSP. PMSP will ensure that listing brokers provide the PO/QNO with access to properties for an initial viewing of the interior. However, a listing broker will not be required to further assist a PO/QNO unless the listing broker has been chosen by the PO/QNO to act as the sales broker. If a PO/QNO uses the services of real estate brokers of its choice, VA will pay a full real estate broker commission, not to exceed six percent of the listing price, based on the most recent non-discounted list price of the property.

c. **Purchase Offers.** Purchase Offers must be submitted on forms/contracts provided by VA's PMSP and must include a provision or addendum to the sales contract limiting the use of the property in accordance with the requirements described in this Handbook. The offeror will have a maximum of 60 days to close the transaction from the date that VA accepts an offer. The offeror will not be permitted to repair, store anything in, or occupy the property before the date the transaction is closed and custody is transferred. Upon receipt of an acceptable offer, VA will complete the usual recordkeeping indicating that an offer is being processed.

d. **Limits on Purchases.** VA may exercise the option to limit the number of properties that POs/QNOs may purchase in the first 2 fiscal years that the PO/QNO is participating in the HSP to five properties. The purpose of this limitation is to ensure that the distribution of available properties is not geographically limited, and to assure the Government that the PO/QNO demonstrates a consistent ability to effectively provide housing for qualified Veterans in line with the number of properties the PO/QNO has purchased. If no substantial negative findings are made in subsequent audits of these properties, then the corresponding PO/QNO may apply to purchase up to ten HSP properties per fiscal year thereafter.

e. **No Warranties.** VA's PMSP will comply with existing directives to stabilize any lead-based paint hazards, provide the appropriate lead-based paint pamphlets, and disclose all known lead-based paint hazards. VA does not offer any warranties or covenants regarding the condition of a property. Buyers purchase the properties "as-is" and should be encouraged to obtain private home inspections, including those for other types of hazards such as methamphetamine residue, high radon gas levels, etc.

f. **Pre-Closing and Closing.** In advance of a closing, VA's PMSP will consult the RC with jurisdiction to draft an addendum to sales contract and restrictive deed covenant, recommended by RC and approved by COPM. Language in the addendum to sales contract should explicitly compel the PO/QNO to act in the best interests of its occupants. Specifically, there will be

language stating that the PO/QNO will act respectfully towards, in “good faith,” and in the best interests of their sheltered Veterans and Veteran households, in recognition of their service to the Nation. The restrictive deed covenant, like the addendum to sales contract, will state the specified use of the property as shelter housing for Veterans who are homeless or who are at-risk of homelessness. The restrictive deed covenant must also specify that the property will be used only for this purpose for a period of not less than 3 years from the date of purchase, except as otherwise expressly permitted by VA [see Section 6(e)]. The deed covenant shall also contain affirmations that the purchaser will comply with all applicable zoning and property use laws, and that the purchaser agrees to hold VA harmless for liability arising from, or subsequent to, the transfer of custody of the property from VA. The restrictive deed covenant shall also provide that the PO/QNO purchasers will provide VA with quarterly occupancy reports, for a period of 3 years after the date of purchase. Additional language in the restrictive deed covenant will express consent to after-sale field inspections and monitoring of the property and its use pursuant to Section 10. If VA finds that a PO/QNO, who certified their intent to use the property to provide housing to homeless Veterans in the purchase contract and signed restrictive deed covenant, failed to uphold that certification, VA will notify OGC and OIG. VA OGC and VA OIG will determine what penalties under law may be pursued against the PO/QNO.

## 9. VA, VBA STAFF AND PMSP GENERAL RESPONSIBILITIES

### a. CA-PM Unit is responsible for:

(1) Receiving and reviewing all submitted materials from POs/QNOs seeking approval to participate in the program. The Chief, CA, is responsible for rendering an approval or denial for the organization to participate in HSP and providing notification to the submitting PO/QNO, LGY staff and the PMSP.

(2) Performing field inspections of all properties sold under the HSP. Inspections will be conducted in accordance with established LGY risk management policies and procedures, and with the terms set forth in this Handbook.

(3) Preparing reports on field inspections, for submission to COPM.

(4) Developing and maintaining an audit schedule for properties sold under these initiatives. The content of the audits as well as the audit schedule will be drafted in conjunction with existing LGY risk management and internal control plans.

(5) Conducting on-site field audits of the HSP properties.

### b. COPM is responsible for:

(1) Providing approved organizations with Veteran benefits information.

(2) Maintaining a roster of approved POs/QNOs.

(3) In instances of PO/QNO transgression, acting to enforce the provisions of this Handbook, and applicable laws and regulations with regard to sanction or other action.

**c. PMSP is responsible for:**

(1) Maintaining a flagged listing of properties sold under the HSP as part of their listed database of VA-acquired properties.

(2) Receiving, processing and closing contracts for sale of VA-acquired properties at discounts specified under the HSP.

(3) Collecting and maintaining data about HSP properties, and compiling and delivering related reports to COPM and CA-PM, as instructed.

## 10. REPORTING, OVERSIGHT, AND ENFORCEMENT

### a. Reports Required from Preferred and Qualified Non-Profit Organizations

(1) **Assistance Provided.** POs or QNOs who have purchased properties under any of the initiatives will submit a quarterly report to COPM on or before the 15th workday following the end of each calendar year quarter. The report will contain the names of all sheltered occupants and household members, their status as a Veteran or non-Veteran, their homeless status, and the total number of nights he/she occupied the property during the quarter. The Veteran's household unit shall count as one unit in reporting the number of shelter nights provided. PO/QNOs will report this data as specified in 10a(4) below. This system will be accessible by COPM staff who will update with PO/QNO reporting.

(2) **Changes in Tenant Occupancy.** For any changes in sheltered occupants and household members occurring during a period between quarterly reports, an addendum report to the quarterly report shall list the names of the tenants who have vacated the property, the reason for their relocation and their forwarding contact information. If forwarding information cannot be provided, documentation indicating the attempts made to obtain this information is mandatory.

(3) **Insurance.** The PO/QNOs shall submit proof of hazard insurance on an annual basis as an addendum to one of the four quarterly reports submitted annually.

(4) All reports from the PO/QNO shall be submitted to the Department of Veterans Affairs Property Management Unit by email or mail.

**b. Reports from PMSP.** PMSP will submit a quarterly report of contacts, offers, and sales to COPM on or before the 15th workday following the end of each quarter. The original will be maintained by COPM in accordance with RCS VB-1, part I, item No. 13-091.100. This report will contain the following:

(1) **Contacts.** Report the names of organizations that made an inquiry regarding the HSP during the reporting period.

(2) **Offers Received.** Report the date of receipt, name of the organization, VA property identifier and address, number of months listed for sale, amount and terms of the offer.

(3) **Properties Sold.** Report the date of sale, name of the organization, VA property identifier and address, number of months listed for sale, list price, sales price and terms. The PMSP shall update the PM acquired property electronic system with pending offers and sales under this program.

(4) **Miscellaneous.** Report any unusual circumstances or difficulties associated with the provider or the property.

(5) This report should be submitted to the Department of Veterans Affairs Property Management Unit by regular mail or email.

c. **Review of Reports.** CA-PM will be responsible for compiling and reviewing all quarterly reports as described in section 10a(1), and for creating and maintaining compiled electronic files of all submitted information, including all supporting documents. COPM will be responsible for analyzing this data and for the preparation of reports related to it, as well as for updating HMIS to assure that VHA has accurate information regarding Veteran occupancy.

d. **Certification of Occupants' Status.** POs or QNOs who have purchased properties under HSP will obtain, retain, and provide copies of documentation indicating that their property's occupants are homeless Veterans, pursuant to Section 5 of this Handbook. Recordkeeping requirements to certify "homelessness" are located in Appendix A of this Handbook, and are outlined in the HEARTH Act amendment to the McKinney-Vento Homeless Assistance Act, and subsequent implementing regulations and Federal Register Notice. POs/QNOs shall certify as to an individual's status as a Veteran and as homeless, and said documents will be subject to periodic VA audit as part of oversight procedures. In instances where the PO/QNO requires clarification or assistance from VA in determining the Veteran status of an occupant, COPM should be contacted. COPM will make reasonable effort to verify the occupant's Veteran status, using available Departmental resources.

e. **Certification Terms of Leasehold Instruments.** POs or QNOs who enter into a lease with qualified Veteran or qualified Veteran Household shall certify to VA that its terms comply with the provisions of local housing and/or residential lease laws as well as federal tenant/landlord real property laws.

f. **Rehabilitated/Renovated Distressed Homes.** In the event a PO/QNO has performed and completed renovation and/or major repair work on a property; and a certificate of occupancy was required for this work to be performed, a copy of the certificate of occupancy should be provided to VA with the next quarterly report submission.

g. **Inspections.** CA-PM will perform inspections of all properties sold to ensure that the properties are being used in accordance with the contractual agreements and covenants outlined in this Handbook, as well as all applicable VA statutes, regulations and program policies,

including, but not limited to, the non-profit status of the PO/QNO. An initial site inspection will occur within 1 year after the date of sale, CA-PM may conduct a minimum of one additional on-site inspection after the initial inspection. Proof of the property's continued habitability must be available for inspection. Additionally, if any repairs or additions to the housing structure are planned, all necessary work and building permits from local authorities must be obtained and available for inspection or submission, upon request. If any substantive issues are identified, CA-PM will contact COPM within 2-business days after the completion of the inspection, and will provide all information, evidence, and documentation to identify the issues that are available at that time. For inspections where no substantive anomalies are identified, CA will provide a detailed written report to COPM, approximately 10-business days after the inspection.

**h. Enforcement:** Should VA find through inspection or other means including, but not limited to, occupant claims, that the PO/QNO has failed to comply with the agreements and certifications cited in this Handbook (e.g. Sections 7, 10, the addendum to sales agreement, or the restrictive deed covenant), or if VA finds that the PO/QNO fails to respond to requests for clarification or substantiation of any submitted information, VA will inform the PO/QNO within approximately 15-calendar days of either the pertinent inspection or receipt of incomplete information. The PO/QNO will have 15 calendar days from the date of contact in which to submit a written response and/or additional information in support of their position. If, after review of any additional information or explanation provided, VA finds continued non-compliance, VA may, at its discretion, act to:

(1) Consult VA RC or VA OGC to concur with the determination of the unacceptability of submitted information/documents;

(2) Temporarily suspend or fully discontinue sale of VA-acquired properties to the PO/QNO. This would include refusal of offers previously submitted, but not yet ratified as of the date of suspension/discontinuance;

(3) Expedite audit and/or inspection of any/all other existing properties purchased by the PO/QNO under the HSP;

(4) Refer relevant information to the US Department of Justice or VA OIG for investigation/prosecution; or

(5) Pursue a Limited Denial of Participation or Federal suspension and debarment proceedings against relevant parties of the PO/QNO.

APPENDIX A: RECORDKEEPING REQUIREMENTS

<p><b>RECORDKEEPING REQUIREMENTS</b></p> 	<p><b>Category 1</b></p>	<p>Literally Homeless</p>	<ul style="list-style-type: none"> <li>• Written observation by the outreach worker; <u>or</u></li> <li>• Written referral by another housing or service provider; <u>or</u></li> <li>• Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter;</li>   <li>• For individuals exiting an institution—one of the forms of evidence above <u>and</u>:             <ul style="list-style-type: none"> <li>◦ discharge paperwork <u>or</u> written/oral referral; <u>or</u></li> <li>◦ written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution</li> </ul> </li> </ul>
	<p><b>Category 2</b></p>	<p>Imminent Risk of Homelessness</p>	<ul style="list-style-type: none"> <li>• A court order resulting from an eviction action notifying the individual or family that they must leave; <u>or</u></li> <li>• For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; <u>or</u></li> <li>• A documented and verified oral statement; <u>and</u></li>   <li>• Certification that no subsequent residence has been identified; <u>and</u></li> <li>• Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing</li> </ul>
	<p><b>Category 3</b></p>	<p>Homeless under other Federal statutes</p>	<ul style="list-style-type: none"> <li>• Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; <u>and</u></li> <li>• Certification of no PH in last 60 days; <u>and</u></li> <li>• Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; <u>and</u></li> <li>• Documentation of special needs <u>or</u> 2 or more barriers</li> </ul>
	<p><b>Category 4</b></p>	<p>Fleeing/ Attempting to Flee DV</p>	<ul style="list-style-type: none"> <li>• <i>For victim service providers:</i> <ul style="list-style-type: none"> <li>◦ An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.</li> </ul> </li> <li>• <i>For non-victim service providers:</i> <ul style="list-style-type: none"> <li>◦ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; <u>and</u></li> <li>◦ Certification by the individual or head of household that no subsequent residence has been identified; <u>and</u></li> <li>◦ Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.</li> </ul> </li> </ul>

